## TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

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balance the budget. We cannot and we will not borrow our way through this challenge. All of these numbers remind us that however the shortfall is addressed the choices will be difficult and sacrifice will be required. With these facts in mind, I prepared this biennial budget recommendation, guided by five principles. First, the budget plan had to be realistic and it had to be honest. It had to be tied to the reality of the economy and current projections of tax revenue. State tax revenues are simply not there, and we cannot afford a spending plan based upon wishful thinking about tax receipts. projections of future revenue must be conservative. And this budget recommendation had to be void of gimmicks and false hope. am confident we will agree that my recommendation straightforward and it is unvarnished. The second principle upon which I built my budget recommendation was that there be no general sales or income tax increase. The challenge we face is so large that significant spending cuts have to be a major part of the solution. Relying primarily on general tax increases to solve the problem will only serve to delay economic recovery and take resources from Nebraskans trying to balance their only family and business budgets. The third principle was that spending in each year of the biennial budget absolutely could not exceed projected revenues. The tremendous investment in education, human services, and corrections that began more than four years ago was based upon revenue projections dramatically missed the mark. When the phenomenal revenue growth of the mid to late 1990s ended, it was as if we had spent our way to the edge of a cliff. We have an obligation to bring ongoing spending and revenue in line with one another on an Very simply, we must restructure the base of annual basis. spending and do it now. If we fail to act, spending will forever outpace our citizens' ability to pay for government. A fourth principle was that we had to protect a set government's priorities representing state responsibilities to the fullest extent possible. My budget recommendations require reductions across nearly all programs, services, and aid provided by state government. However, my reflects a continued priority for funding recommendation services that ensure safe communities, protect the vulnerable Nebraskans, and promote the health and safety of our The State Patrol, military, and Fire Marshal are children.